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C O N F I D E N T I A L PANAMA 001476

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [PM](#)  
SUBJECT: PANAMA: TORRIJOS NAMES NEW CABINET

REF: PANAMA 1440

Classified By: Ambassador William A. Eaton. Reasons: 1.4 (b) and (d).

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Summary and Comment  
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¶1. (U) Replacing five cabinet ministers, Panamanian President Martin Torrijos named a total twenty-seven high-level appointments to his administration. Torrijos' decisions were announced by Secretary of State Communication Erich RODRIGUEZ Auerbach on August 30 in a press release. On August 27, all fourteen of Torrijos' cabinet ministers tendered their resignations paving the way for Torrijos to act freely to reshape his cabinet (REFTEL).

¶2. (C) There were no surprises among the five ministers who are leaving the cabinet. Former Minister of Health Alleyne, former Minister of Education Canizales, and former Minister of Labor Rivera were all weak politically, ineffective managerially, and had increasingly become burdens to the Torrijos Administration. Former Minister of the Presidency had told Embassy that he wanted to leave government and return to private life. Political insiders were not surprised to see former Minister of Government and Justice Golcher depart, though her stepping down may have been a mild surprise to the wider public. As for the new appointments, post sees three caretakers who have risen from the back benches one rising star, and one appointment made in the spirit of coalition maintenance. The caretakers are: Minister of Education Belgis Castro, Minister of Labor Edwin Salamin, and Minister of Health Rosario Turner. The rising star is Minister of Government and Justice Daniel Delgado. Second VP Arosemena was named Minister of the Presidency largely in a gesture to his Popular Party (PP), the PRD's electoral coalition party.

¶3. (C) This new cabinet suggests that the days of grand initiatives by the Torrijos Administration are over. Also, his choices and the manner in which they were made suggests that Torrijos appointments were made more out of a defensive reflex than any effort to seek political advantage. This cabinet will focus on completing tasks already begun, cleaning up existing messes, and striving to ensure that new problems do not crop up. Replacing over one-third of his cabinet, yet announcing his action through anodyne press statement, intentionally passed up an opportunity to make any greater political statements.

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The Cabinet: Who's Out/Who's In  
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14. (C) The following is a summary of the five new cabinet ministers:

Minister of the Presidency (Chief of Staff Equivalent):

-- Out: Ubalduino REAL  
-- In: 2nd VP Ruben AROSEMENA Valdes  
-- Comment: Real's departure for private life was anticipated. Though no longer formally in the Administration, Real -- a close personal friend of Torrijos -- will undoubtedly remain an advisor and conduit to the President. Press commentary has suggested that Arosemena's appointment is a sop to the Popular Party (PP), the oft forgotten ally of the governing Revolutionary Democratic Party (PRD). Arosemena was Torrijos' primary representative in brokering the 2006 social security reforms. Moving Arosemena from the Maritime Authority of Panama (AMP) may help Arosemena disassociate himself from that corruption plagued organization. His departure from AMP will also facilitate the continuation of lucrative "profit sharing" of consular spots among some elites within the Torrijos Administration hierarchy. Though relatively young, Arosemena has battled health problems recently and under went surgery for fused vertebrae in the U.S. in 2006. It remains to be seen whether he has sufficiently recovered to be able to physically withstand the crushing workload of his new position.

Minister of Government and Justice:

-- Out: Olga GOLCHER  
-- In: Daniel DELGADO Diamante  
-- Comment: Though political insiders had speculated that Golcher would depart, the announcement that Delgado would replace her was probably the most surprising development to most Panamanians. Golcher told Ambassador she will be appointed as Panamanian Ambassador to Argentina. Embassy has had extensive dealings with Delgado in his prior post as Director of Customs, which reports to the Ministry of Economy and Finance. Delgado improved customs operations and raised the morale of customs personnel. A former Lieutenant Colonel in the extinct Panamanian Defense Forces (PDF), Delgado may come under some scrutiny for past associations with Noriega. For example, he was the PDF's commander in San Miguelito during Operation JUST CAUSE and a member of Noriega's Strategic Military Council (CEM). His ascension to the head of the Ministry of Government and Justice (MOGJ) may be cited as evidence of "re-militarization." The U.S. should not be distracted by this kind of white noise. Delgado was the Secretary General of the MFA early part of the Torrijos administration and in the administration of former President Ernesto "El Toro" Perez Balladares. A Panamanian public that increasingly demands more security is more likely to welcome a strong hand than criticize a military past. Delgado may benefit from a closer relationship with the Council for Public Security and National Defense (CSPDN) than did Golcher who grew frustrated as the CSPDN asserted influence and control over security-related entities in the MOGJ. Embassy has had extensive positive interaction with Delgado.

Minister of Education:

-- Out: Miguel Angle CANIZALES  
-- In: Belgis CASTRO Jaen  
-- Comment: Canizales' departure is not a surprise and indeed has been urged by many Panamanian political commentators for some time. Castro was previously the Director of the Institute for Human Resources Development (IFARHU), which distributes and supervises university and post-graduate scholarship programs. For thirty years, she has been a professor of history and philosophy. A PRD activist in Chiriqui Province, Castro previously served as Vice Rector of the Autonomous University of Chiriqui, which is part of the University of Panama system. Castro takes the helm of a dilapidated educational system that is in desperate need of reform if it is to produce adequately prepared workers in sufficient quantities to ensure a skilled

Panamanian work force to meet the continuing demands of Panama's booming economy.

Minister of Labor:

-- Out: Reynaldo RIVERA

-- In: Edwin Salamin

-- Comment: Rivera was on most Panamanian political observers' short list of those who would get the ax. Salamin, for the past three years, has served as Rivera's number two as Vice Minister of Labor and Secretary General of that ministry. A lawyer and PRD member, Salamin played a key role in brokering a deal between Panama's business community and labor leaders that paved the way for the 2005 social security reforms. Salamin inherits a tense GOP relationship with the radical SUNTRACS construction union, a relationship that has been marked by violent clashes that resulted in the deaths of two SUNTRACS members, one at the hands of private security guard and the other of the National Police of Panama (PNP). The Embassy has enjoyed a good relationship with Salamin, who has been active in addressing labor issues related to the U.S.-Panama Trade Promotion Agreement (TPA)

Minister of Health

-- Out: Camilo ALLEYNE

-- In: Rosario TURNER

-- Comment: Alleyne's political future was on the ropes in the run-up to this cabinet shake-up. Alleyne's popularity nose-dived in the wake of the deaths of over 100 Panamanians who were poisoned with CSS-produced medicines contaminated diethylene glycol, an ingredient commonly used in anti-freeze. A PRD loyalist and Mexican-educated pediatrician, Turner previously was the Medical Services Director at the Social Security Fund (CSS). Turner represented the Torrijos Administration on health issues in the UN Development Programme (UNDP)-facilitated national dialogue on development. It remains to be seen whether Turner will retain Alleyne's staffers who had forged strong ties with their U.S. Department of Health and Human Service (HHS) counterparts, ties that were instrumental in launching the Regional Healthcare Worker Training Center with U.S. and Central American partners. Coming from the CSS, Turner will also need to grapple with the political baggage of the diethylene glycol tragedy.

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Other High-Level Appointments  
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15. (U) Rodriguez also announced the following additional high-level appointments:

-- Vice Minister of Labor Felipe CANO

-- Vice Minister of Economy Gisela ALVAREZ de Porras

-- Vice Minister of Social Development Diana MOLO

-- Vice Minister of Agricultural Development Adonai RIOS

-- Director of the Authority of Transit and Ground Transportation (ATTT) Heraclio BATISTA (Note: By naming a full-time ATTT Director, MOGJ Viced Minister Severino Mejia can now return undistracted to his regular ministerial job.)

-- Sub-Director of the Authority of Transit and Ground Transportation (ATTT) Armando Fuentes

-- Director of the National Air Service (SAN) Rigoberto GORDON Saldana

-- Director of the Social Investment Fund (FIS) Carlos Alberto GARCIA Molino

-- Director of the Agricultural Development Bank (BDA) Roberto JIMENEZ

-- Manager of the Tocumen S.A. (International Airport) Orcila DE CONSTABLE

-- Secretary of the National Secretariat of Food and Nutrition (SENAPAN) Mery ALFARO de Villageliu

-- Director of Immigration Clovis SINISTIERRA (Note: SINISTIERRA was previously a senior CSPDN functionary.)

-- Sub-Director of Immigration Tayra BARSALLO

-- Director of the Aquatic Resources Authority (ARAP) Reynaldo PEREZ Guardia

-- Director of the Maritime Authority of Panama (AMP) Fernando SOLORZANO (Note: Replaces 2nd VP Ruben Arosemena.)

-- Director of the Institute of Agricultural Research (IDIAP)  
Jorge AUED  
-- Director of the Agricultural Insurance Institute (ISA)  
Olmedo ESPINO  
-- Director of the National Institute of Arts and Culture  
(INAC) Anel Omar RODRIGUEZ  
-- Commissioner of the National Securities Commission (CNV)  
Juan Manuel MARTANS Sanchez  
-- Commissioner of the National Securities Commission (CNV)  
David SAIED  
-- Director of the Institute for the Formation and  
Advancement of Human Resources (IFARHU) Samuel BUITRAGO  
(Note: Buitrago is the youngest member of the PRD CEN.)

16. (U) Rodriguez also announced that Juan Jose "Tres  
Palitos" Amado, III had resigned as Director General of the  
National Institute of Aqueducts and Sewers (IDAAN) and asked  
the Board of Directors to submit to him its nominee to  
replace Amado. (Note: Amado is also a member of the PRD  
CEN.) Rodriguez's announcement also stated that Leonel SOLIS  
Benavides, Executive Secretary of the Presidency, would be  
assuming responsibility for supervising the public  
transportation modernization process.  
EATON